



**COUNTY OF LOS ANGELES  
DEPARTMENT OF AUDITOR-CONTROLLER**

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March 18, 2009

TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe  
Auditor-Controller

A handwritten signature in blue ink, reading "Wendy L. Watanabe", is written over the printed name and title.

SUBJECT: **CONTRACT MANAGEMENT REPORTING IMPROVEMENT IN eCAPS**

As requested by Supervisor Gloria Molina, the Auditor-Controller developed new and improved eCAPS contract management reports to assist County contract managers and finance personnel in managing their contracts. Specifically, we designed these reports to help departments in eliminating retroactive contracts, in accessing accurate budget data for fiscal controls, and planning more efficiently in the contract administration area. We will roll out these reports in the Department Heads meeting on March 19, 2009, and in the Chief Deputies Council Meeting on March 23, 2009.

These reports will replace the original Countywide Contract Monitoring System (CCMS) reports, also developed in 2003 at the request of your Board. Our review of the CCMS found that departments have not effectively used CCMS reports since the inception of eCAPS in 2005. While departments continue to maintain data in eCAPS for contract fiscal and budget controls, they did not adequately maintain the contract administration information. Instead, a few departments developed their own satellite systems, i.e., Excel spreadsheet or Access database, to track contract information. This has caused the inaccuracy and incompleteness of CCMS reports. We noted the most common deficiencies as follows:

- **Missing contract end dates** – this prevents the system to accurately identify expiring contracts or trigger any alert reports;
- **Missing contract budget amounts** – this prevents the system to track contracts based on percentage completion and to identify any contracts approaching the approved limit or nearing renewal; and

- **Expired or completed contracts are not closed out** – this results in conflicting information that makes monitoring more difficult and labor-intensive.

In June 2008, we began to tackle these issues by developing new eCAPS Contract Manuals with proper procedures, redesigning contract reports in eCAPS, conducting training to contract and fiscal personnel, and assisting departments to “clean-up” the existing contract information. In November 2008, we provided instructions to departments on how to correct contract information. Although we made significant improvements, there were still noticeable gaps and inaccurate information.

### **New and Improved Contract Monitoring Reports**

We developed 13 reports in the following categories (see attached sample reports using Department of Public Works’ contract information):

- Contract Financial Reports (3) – contain budget and expenditure information
- Contract Alert Reports (7) – contain 30 days to 270 days to expiration alert
- Contract Error Reports (3) – contain expired contracts and contracts without end dates

An easy reference guide with step by step accessing procedures is also attached.

### **Post Implementation**

At our first roll out meeting on March 19, 2009, we will urge Department Heads to ensure departmental contract and fiscal staff follow proper procedures and maintain accurate contract information in eCAPS. We will also urge Department Heads to ensure their staff correct any deficiencies listed in their department’s Contract Error Reports by June 1, 2009. Departments must accurately identify and maintain contract information for eCAPS to work optimally and achieve the ultimate goal of eliminating retroactive and overspend contracts.

We will monitor departments’ clean-up efforts and contact departments with high error rates in the eCAPS contract database. On an ongoing basis, the Chief Executive Office Budget Analysts will monitor each department’s contract reports to ensure the contract database is properly maintained. We will then jointly provide a final report within six months on Countywide progress in using contract management reports.

WLW:RAD:RM:fc

### **Attachments**

c: Chief Executive Officer  
Department Heads  
Deputy Chief Executive Officers



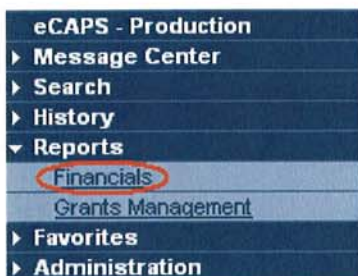
County of Los Angeles  
Department of Auditor-Controller

**eCAPS Contract Monitoring Reports**

Implementation Date: March 19, 2009

## ***HOW TO ACCESS CONTRACT REPORTS***

1. Go to eCAPS Financial Application; under Reports, click Financials.



2. Under Cognos Connection, go to View Reports and click on Countywide Reports.
3. Select Contract Reports.
4. Select Scheduled.
5. Select the two digit code for your department; i.e., AU for Auditor-Controller.
6. Select either Daily or Monthly reports.
7. Select the desired contract report from the list.

## ***HOW TO ACCESS CONTRACT MANUALS***

1. Go to LA County Intranet at <http://web.co.la.ca.us/lacounty/>
2. Click Inside Information and select eCAPS Project.
3. At the eCAPS Project page, go to Contract Resources and click on eCAPS Contracts Manual.



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***CONTRACT FINANCIAL REPORTS (3)***

**PURPOSE: TO PROVIDE FISCAL INFORMATION ON CONTRACTS**

**Report Names:      Contract Budget Information  
                         Contract Expenditure Detail  
                         Contracts Encumbrance Detail**

**Suggested Users: Department Fiscal Personnel  
                         Administrative Deputies  
                         Chief Deputies  
                         Department Heads  
                         CEO Budget Analysts**





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***CONTRACT ALERT REPORTS (7)***

**PURPOSE: TO PROVIDE ALERT ON CONTRACT STATUS**

**Report Names:**      **Contracts 30 Days of Expiration**  
                             **Contracts 60 Days of Expiration**  
                             **Contracts 90 Days of Expiration**  
                             **Contracts 6 Months of Expiration**  
                             **Contracts 9 Months of Expiration**  
                             **Contract Budget 75% Expended**  
                             **Contract Budget Overdraft**

**Suggested Users:** **Department Contract Administrators**  
                             **Department Contract Monitors**  
                             **Administrative Deputies**  
                             **Chief Deputies**  
                             **Department Heads**  
                             **CEO Budget Analysts**



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***CONTRACT ERROR REPORTS (3)***

**PURPOSE: TO MAINTAIN AN ERROR-FREE CONTRACT DATABASE**

**Report Names:      Expired Contracts  
                         Zero Dollar Contract Budget  
                         Contracts With No End Date**

**Suggested Users: Department Contract Administrators  
                         Department Contract Monitors  
                         Administrative Deputies  
                         Chief Deputies  
                         Department Heads  
                         CEO Budget Analysts**